

August 31, 2011

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**Via Electronic Mail & Courier**

The Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road  
P.O. Box 21040  
St. John's NL A1A 5B2

**Attention: Ms. G. Cheryl Blundon**  
**Director Corporate Services and Board Secretary**

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro's application for approval of two capital projects at the Holyrood Thermal Generating Station**

We write further to the Board's correspondence of August 25, 2011.

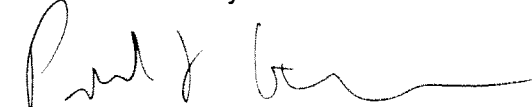
The Board has requested comments of the parties on whether it would be appropriate to defer the above-noted Application to the Phase II review of the 2012 Capital Budget Application, intended to deal with capital projects for the Holyrood Thermal Generating Station.

The Island Industrial Customers are of the view that the above Application should be deferred to the Phase II review in the 2012 Capital Budget Application.

We trust this is in order.

Yours truly,

Stewart McKelvey



Paul L Coxworthy

PLC/kmcd

c: Mr. Geoffrey P. Young, Senior Legal Counsel, Newfoundland and Labrador Hydro  
Mr. Thomas J. Johnson, Consumer Advocate  
Mr. Gerard Hayes, Newfoundland Power  
Mr. Dean A. Porter, Poole Althouse